

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUCAR 03183 111225Z

46

ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 EB-07 COME-00 INT-05 L-03 AID-05

CIAE-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 (ISO) W

----- 023520

R 110808Z JUL 75

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 3503

LIMITED OFFICIAL USE BUCHAREST 3183

E.O. 11652: N/A

TAGS: EINV, EMIN, RO

SUBJECT: GOR/ISLAND CREEK JOINT VENTURE

REF: STATE 157325

1. EMBOFF MET WITH CORNEL ILIESCU, DIRECTOR FOR JOINT VENTURES OF THE COOPERATION DEPARTMENT, MINISTRY OF FOREIGN TRADE AND INTERNATIONAL ECONOMIC COOPERATION (MFT), JULY 9 TO DISCUSS U.S. DESIRE FOR CONSULTATIONS ON THE PROPOSED GOR/ISLAND CREEK INVESTMENT IN COAL MINING IN VIRGINIA. ALTHOUGH ILIESCU FELT THAT WE COULD OBTAIN WHATEVER INFORMATION WE MIGHT NEED FROM ISLAND CREEK, HE READILY AGREED TO CONSULTATIONS ON THE DIPLOMATIC LEVEL. HE HAD NO SUGGESTIONS REGARDING MANNER IN WHICH THEY MIGHT PROCEED, BUT AGREED TO ACCEPT OUR INQUIRIES AND TO GET IN TOUCH IF GOR FELT THE NEED. HE HAD ALREADY RECEIVED COPIES OF EXECUTIVE ORDER 11858 AND TREASURY PRESS RELEASE OF MAY 21, SO EMBOFF USED THE OCCASION TO BRIEFLY DESCRIBE THE CONTEXT OF U.S. PUBLIC CONCERN ABOUT FOREIGN INVESTMENT. ILIESCU REVEALED SOME SCEPTICISM OF USG POLICY BY INQUIRING WHETHER THERE WERE ANY OTHER INVESTMENTS BY "SOCIALIST" GOVERNMENTS IN U.S.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUCAR 03183 111225Z

AND WHETHER EMBOFF THOUGHT ROMANIA'S PROJECT COULD

EVER BE APVEOVED. EMBOFF COULD NOT REPLY
CATEGORICALLY TO EITHER QUESTION, BUT EXPRESSED
THE VIEW THAT BOTH WERE POSSIBLE.

2. ILIESCU CONFIRMED THE GENERAL INFORMATION
SUPPLIED BY ISLAND CREEK (BUCHAREST 2933). GOR
AND ISLAND CREEK BOARD OF DIRECTORS ARE EXPECTED
TO APPROVE THE FRAMEWORK AGREEMENT SIGNED JULY 1
BY AUGUST 30. CONTRACT SIGNING HAS BEEN SET FOR
JANUARY BECAUSE ISLAND CREEK MUST FIRST CLARIFY
ITS RIGHTS TO ALL OF THE PROPERTY IN QUESTION.

3. ILIESCU STRONGLY REQUESTED EMBASSY ASSISTANCE
IN PROVIDING INFORMATION REGARDING THE ESTABLISHMENT
OF AN AMERICAN CORPORATION. DESPITE OUR POINT,
ECHOING ISLAND CRE
UP'S (BUCHAREST 2933, PARA 7),
THAT GOR MIGHT BE WELL ADVISED TO HIRE A GOOD LAW
FIRM, ILIESCU BELIEVES GOR WILL NEED GENERAL
INFORMATION SUCH AS COPIES OF BASIC LEGISLATION
IN ORDER TO UNDERSTAND THE LEGAL ENVIRONMENT IN
WHICH IT MUST OPERATE, EVEN IF IT RETAINS U,OS. COUNSEL.

4. FOR COMMERCE. IF THERE ARE ANY OTHER
INVESTMENTS BY COMMUNIST COUNTRIES IN MINING,
MANUFACTURING OR OTHER PRODUCTIVE FACILITIES
IN THE U.S., EMBASSY WOULD GREATLY APPRECIATE
BACKGROUND MATERIAL. BELIEVE WE COULD HELP PREVENT
GOR MISUNDERSTANDING OF U.1:... ATTITUDES AND FORMALITIES,
AND FACILITATE BILATERAL CONSULTATION, BY PROVIDING

ILIESCU WITH A PACKAGE OF WHATEVER INFORMATION
MAY BE READILY AVAILABLE ON ESTABLISHING NEW
BUSINESSES OF THE KIND ROMANIA HAS IN MIND.
FOR EXAMPLE, IF STATE OF
VIRGINIA HAS AN OFFICE
FOR PROMOTING INDUSTRIAL INVESTMENT, PERHAPS IT
COULD COLLECT THIS MATERIAL FOR US TO PROVIDE MFT.
PLEASE ADVISE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BUCCHAR 03183 111225Z

5. COMMENT: DESPITE THEIR AGREEMENT TO CONSULT,
MFT MAY NOT CALL ON US UNLESS THEIR PROJECT RUNS
INTO TROUBLE. WE WOULD APPRECIATE WASHINGTON'S
ADVICE REGARDING SPECIFIC INFORMATION THE COMMITTEE
ON FOREIGN INVESTMENT MAY NEED IN REVIEWING THIS
CASE.
BARNES

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FOREIGN INVESTMENT, JOINT VENTURES, COAL MINING
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BUCHAR03183
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750240-0921
From: BUCHAREST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750761/aaaacom.tel
Line Count: 114
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 157325
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 11 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 JUN 2003 by MartinML>; APPROVED <21 OCT 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOR/ISLAND CREEK JOINT VENTURE
TAGS: EINV, EMIN, RO, US, ISLAND CREEK, (ILIESCU, CORNEL)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006